

REGISTERED NUMBER: 45024 (England and Wales)



ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

FOR

THE TINTOMETER LIMITED



The Hopkins Partnership
CHARTERED ACCOUNTANTS

1 South Newton Trading Estate, Warminster Road,
South Newton, Salisbury SP2 0QW
Telephone 01722 742233 Fax 01722 742255

THE TINTOMETER LIMITED

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THE TINTOMETER LIMITED
COMPANY INFORMATION
for the year ended 31 December 2006

DIRECTORS:

C P Voss
M R Nowak
C A H M Counsell

SECRETARY:

G J Belbin

REGISTERED OFFICE:

Lovibond House
Solar Way
Solstice Park
Amesbury
SP4 7SZ

REGISTERED NUMBER:

45024 (England and Wales)

AUDITORS:

The Hopkins Partnership
Chartered Accountants
and Registered Auditors
1 South Newton Trading Estate
Warminster Road
South Newton
Salisbury
SP2 0QW

THE TINTOMETER LIMITED
REPORT OF THE DIRECTORS
for the year ended 31 December 2006

The directors present their report with the financial statements of the company for the year ended 31 December 2006

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the production of the Lovibond® Colour Scale and the manufacture and sale of instruments and ancillary items related to colour measurement and water analysis

REVIEW OF BUSINESS

Following the relocation of the company's operational facilities to purpose built premises during 2005, the company has continued to consolidate its trading activities during the year under review, and to concentrate on the global marketing of its products

The directors and managers continue to review operations, with an emphasis on improved service for customers, along with cost control and improvements in efficiency. This has assisted the company to improve its gross profit margin

The company is continuing to introduce new products to the market place which complement its existing product range, and reflect the result of the company's research and development programme. The growth of the company is dependent on it continuing to meet the requirements of its customers, evolving its product lines to take account of technological advancements where appropriate, and being competitive in the market place. The directors outlook for the water analysis and colour measurement markets in the future indicate a good possibility for further growth

Regular management accounts are produced for review by the board of directors, which are used by the board of directors to make decisions and assess business performance

The key financial performance measures, which are monitored by the board of directors are

- Turnover as a measure of growth
- Profit from operations as a measure of performance
- Gross profit percentage as a measure of profitability

The results for the year and the financial position of the company are set out in the financial statements on pages six to twenty five. The company has had another successful year financially with a profit before taxation, excluding the exceptional item of £991,748, of £329,098. Once operating costs have been met from revenues, the surplus is invested back into the company. The net assets of the company have increased to £1,309,132 at the year end

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2006

PRINCIPAL RISKS AND UNCERTAINTIES

The directors are responsible for the company's systems of internal control, safeguarding of assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities, and have in place a framework of controls to ensure ongoing financial performance is monitored and risks identified as early as practically possible

RESEARCH AND DEVELOPMENT

Expenditure incurred by the company on research and development of new products is written off as incurred. All research and development expenditure is regarded as part of the company's continuing operations and is required to maintain its position in the market place

EMPLOYEE INVOLVEMENT

All employees are encouraged to take an active interest in all aspects of the performance of the business. There is extensive consultation with employees on matters affecting their employment and working environment

EMPLOYMENT OF DISABLED PEOPLE

During the year, the company recruited one individual who is registered disabled. The company already employs two further people who are registered disabled. The company welcomes applications from disabled people and offers modern working conditions in accessible premises. The company also provides training based on job requirements and any specialist equipment to enable disabled people to play a full part in the success of the business

Continued on page 3

THE TINTOMETER LIMITED
REPORT OF THE DIRECTORS
for the year ended 31 December 2006

Continued from page 2

DONATIONS

During the year the company made charitable donations of £6,046 (2005 - £842)

FIXED ASSETS

Details of movements of fixed assets are given in notes to the financial statements

The directors consider that the market value of freehold land and buildings is in excess of the amount shown in the financial statements but, as these assets are used in the company's business and no disposals are envisaged, the excess is not quantified

In 2004 the company entered into an agreement for the conditional sale of one of its freehold properties and in 2005 it relocated its business activities from these premises to a new purpose built facility. Finally, during the year ended 31 December 2006, the conditions for the sale of the old premises to proceed were satisfied and the company completed the transaction which resulted in a profit on disposal of £991,748, as disclosed in notes to the financial statements. The funds arising from this disposal were used to clear the bank loan taken out for the construction of the new premises.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2006 to the date of this report

C P Voss
M R Nowak
C A H M Counsell

C P Voss is a director and shareholder of the parent company, Tintometer GmbH. Details of C P Voss's interest in the issued share capital of the parent company are disclosed in the financial statements of that company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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THE TINTOMETER LIMITED
REPORT OF THE DIRECTORS
for the year ended 31 December 2006

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AUDITORS

The auditors, The Hopkins Partnership, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD:



C P Voss - Director

Date

16th Oct. 2007

THE TINTOMETER LIMITED
REPORT OF THE INDEPENDENT AUDITORS TO
THE TINTOMETER LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages six to twenty five, together with the financial statements of The Tintometer Limited for the year ended 31 December 2006 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

The Hopkins Partnership

The Hopkins Partnership
Chartered Accountants
and Registered Auditors
1 South Newton Trading Estate
Warminster Road
South Newton
Salisbury
SP2 0QW

Date 18 October 2007

THE TINTOMETER LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2006

	Notes	2006 £	2005 £
GROSS PROFIT		1,915,164	1,492,222
Administrative expenses		<u>1,441,629</u>	<u>1,321,175</u>
OPERATING PROFIT	3	473,535	171,047
Profit on sale of freehold land and buildings	4	<u>991,748</u>	<u>-</u>
		1,465,283	171,047
Interest receivable and similar income		<u>5,113</u>	<u>1,103</u>
		1,470,396	172,150
Interest payable and similar charges	5	103,550	43,280
Other finance costs	20	<u>46,000</u>	<u>73,000</u>
		<u>149,550</u>	<u>116,280</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,320,846	55,870
Tax on profit on ordinary activities	6	<u>(146,134)</u>	<u>2,850</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u><u>1,466,980</u></u>	<u><u>53,020</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

The notes form part of these abbreviated accounts

THE TINTOMETER LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2006**

	2006 £	2005 £
PROFIT FOR THE FINANCIAL YEAR	1,466,980	53,020
Pension scheme actuarial gain/(loss) (net of tax)	<u>58,100</u>	<u>(739,530)</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u><u>1,525,080</u></u>	(686,510)
Prior year adjustment		<u>(858,600)</u>
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT		<u><u>(1,545,110)</u></u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
for the year ended 31 December 2006**

	2006 £	2005 £
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1,320,846	55,870
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	11,991	12,848
Difference between historical cost profit on disposal of freehold property and the actual profit calculated on the revalued amount	<u>360,533</u>	<u>-</u>
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u><u>1,693,370</u></u>	<u><u>68,718</u></u>
HISTORICAL COST PROFIT FOR THE YEAR RETAINED AFTER TAXATION	<u><u>1,839,504</u></u>	<u><u>65,868</u></u>

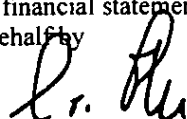
The notes form part of these abbreviated accounts

THE TINTOMETER LIMITED
ABBREVIATED BALANCE SHEET
31 December 2006

	Notes	2006 £	2005 £
FIXED ASSETS			
Intangible assets	7	-	-
Tangible assets	8	2,032,662	2,483,321
Investments	9	<u>4</u>	<u>4</u>
		2,032,666	2,483,325
CURRENT ASSETS			
Stocks	10	616,692	618,787
Debtors	11	776,268	762,781
Cash at bank and in hand		<u>24,398</u>	<u>24,021</u>
		1,417,358	1,405,589
CREDITORS			
Amounts falling due within one year	12	<u>820,213</u>	<u>2,653,888</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>597,145</u>	<u>(1,248,299)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,629,811	1,235,026
CREDITORS			
Amounts falling due after more than one year	13	(19,879)	(59,994)
PROVISIONS FOR LIABILITIES	17	(33,800)	-
PENSION LIABILITY	20	<u>(1,267,000)</u>	<u>(1,585,980)</u>
NET ASSETS/(LIABILITIES)		<u>1,309,132</u>	<u>(410,948)</u>
CAPITAL AND RESERVES			
Called up share capital	18	6,250	5,500
Share premium account	19	297,850	103,600
Revaluation reserve	19	84,856	457,380
Capital redemption reserve	19	5,750	5,750
Profit and loss account	19	<u>914,426</u>	<u>(983,178)</u>
SHAREHOLDERS' FUNDS	24	<u>1,309,132</u>	<u>(410,948)</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

The financial statements were approved by the Board of Directors on its behalf by



C P Voss - Director

16. Oct. 2007

and were signed on

The notes form part of these abbreviated accounts

THE TINTOMETER LIMITED
CASH FLOW STATEMENT
for the year ended 31 December 2006

	Notes	2006 £	2005 £
Net cash (outflow)/inflow from operating activities	1	(173,319)	628,085
Returns on investments and servicing of finance	2	(98,437)	(42,177)
Taxation		(658)	-
Capital expenditure	2	<u>1,286,674</u>	<u>(1,795,306)</u>
		1,014,260	(1,209,398)
Financing	2	<u>(1,165,177)</u>	<u>1,265,547</u>
(Decrease)/Increase in cash in the period		<u>(150,917)</u>	<u>56,149</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
(Decrease)/Increase in cash in the period		(150,917)	56,149
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		<u>1,360,177</u>	<u>(1,265,547)</u>
Change in net debt resulting from cash flows		1,209,260	(1,209,398)
New hire purchase contracts		<u>(9,290)</u>	<u>(140,057)</u>
Movement in net debt in the period		1,199,970	(1,349,455)
Net debt at 1 January		<u>(1,482,135)</u>	<u>(132,680)</u>
Net debt at 31 December		<u>(282,165)</u>	<u>(1,482,135)</u>

The notes form part of these abbreviated accounts

THE TINTOMETER LIMITED

**NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 December 2006**

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2006	2005
	£	£
Operating profit	473,535	171,047
Depreciation charges	163,894	80,831
Loss on disposal of fixed assets	1,129	2,599
Decrease/(Increase) in stocks	2,095	(61,427)
Increase in debtors	(13,487)	(141,230)
(Decrease)/Increase in creditors	(689,485)	664,265
Difference between pension charge and cash contributions	<u>(111,000)</u>	<u>(88,000)</u>
Net cash (outflow)/inflow from operating activities	<u>(173,319)</u>	<u>628,085</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2006	2005
	£	£
Returns on investments and servicing of finance		
Interest received	5,113	1,103
Interest paid	(96,592)	(41,562)
Interest element of hire purchase payments	<u>(6,958)</u>	<u>(1,718)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(98,437)</u>	<u>(42,177)</u>
Capital expenditure		
Purchase of tangible fixed assets	(91,107)	(1,807,822)
Sale of tangible fixed assets	<u>1,377,781</u>	<u>12,516</u>
Net cash inflow/(outflow) for capital expenditure	<u>1,286,674</u>	<u>(1,795,306)</u>
Financing		
New loans in year	-	1,300,000
Loan repayments in year	(1,300,000)	-
Capital repayments in year	(60,177)	(34,453)
Share issue	750	-
Increase in share premium reserve	<u>194,250</u>	<u>-</u>
Net cash (outflow)/inflow from financing	<u>(1,165,177)</u>	<u>1,265,547</u>

The notes form part of these abbreviated accounts

THE TINTOMETER LIMITED

**NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 December 2006**

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 1 06 £	Cash flow £	Other non-cash changes £	At 31 12 06 £
Net cash				
Cash at bank and in hand	24,021	377		24,398
Bank overdraft	<u>(87,536)</u>	<u>(151,294)</u>		<u>(238,830)</u>
	<u>(63,515)</u>	<u>(150,917)</u>		<u>(214,432)</u>
Debt				
Hire purchase	(118,620)	60,177	(9,290)	(67,733)
Debts falling due within one year	<u>(1,300,000)</u>	<u>1,300,000</u>	<u>-</u>	<u>-</u>
	<u>(1,418,620)</u>	<u>1,360,177</u>	<u>(9,290)</u>	<u>(67,733)</u>
Total	<u>(1,482,135)</u>	<u>1,209,260</u>	<u>(9,290)</u>	<u>(282,165)</u>

The notes form part of these abbreviated accounts

THE TINTOMETER LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
for the year ended 31 December 2006

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets

Exemption from preparing consolidated financial statements

The financial statements contain information about The Tintometer Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 248 of the Companies Act 1985 from the requirements to prepare consolidated financial statements

Turnover

Turnover represents income receivable from the production of the Lovibond® Colour Scale and the manufacture and sale of instruments and ancillary items related to colour measurement and water analysis, less returns, discounts and allowances, excluding value added tax

Trade marks and patents

Expenditure on trade marks and patents is capitalised as an intangible asset and amortised over six years

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter

Freehold land	- not provided
Freehold buildings	- 2% on cost or valuation
Improvements to leasehold property	- over the period of the lease
Plant and machinery	- 30% on reducing balance and 25% on cost
Motor vehicles	- 30% on reducing balance

Up to and including the year ended 30 November 1999 it was the company's policy to revalue freehold properties. In the year ended 30 November 2000 the company adopted the transitional provisions of Financial Reporting Standard 'Tangible Fixed Assets'. Whilst previous valuations have been retained, they have not been updated. From the year ended 30 November 2000 it has been the company's policy not to revalue fixed assets. The last valuation was in 1991

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads

Deferred tax

Deferred tax is provided on all reversible timing differences that arise when comparing the accounting profit with the profits that are chargeable to taxation. Deferred tax is not provided on any permanent differences that may arise. At the balance sheet date, the required provision for deferred tax is compared with the provision at the beginning of the period and any difference is debited or credited to the profit and loss account. Deferred tax assets are only recognised when there is a reasonable certainty that they will be recoverable in the future

Research and development

Expenditure on research and development is written off in the year in which it is incurred

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result

THE TINTOMETER LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
for the year ended 31 December 2006

1 ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pensions

The company operates a defined benefit pension scheme. The pension scheme assets are measured using market values. The pension liabilities are measured using projected unit credit method and discounted at the rate of return on a high quality bond of equivalent term to scheme liabilities. Any increase in the present value of liabilities within the company's defined benefit pension scheme expected to arise from employee service in the year is charged to operating profit as current service costs and the expected return on pension scheme assets and interest on pension scheme liabilities are included within finance income and finance costs. Actuarial gains and losses are recognised in full in the period in which they occur and are shown in the statement of recognised gains and losses. Pension scheme surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet net of related deferred tax.

The company also operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as incurred.

2 STAFF COSTS

	2006	2005
	£	£
Wages and salaries	1,289,254	1,386,006
Social security costs	108,381	126,659
Other pension costs (see note 20)	<u>84,941</u>	<u>82,307</u>
	<u><u>1,482,576</u></u>	<u><u>1,594,972</u></u>

The average monthly number of employees during the year was as follows

	2006	2005
Production and service	44	43
Sales and distribution	7	5
Administration	<u>16</u>	<u>15</u>
	<u><u>67</u></u>	<u><u>63</u></u>

THE TINTOMETER LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
for the year ended 31 December 2006

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2006	2005
	£	£
Hire of plant and machinery	16,613	20,665
Operating lease rentals - other	3,431	-
Research and development	59,583	46,209
Depreciation - owned assets	122,673	65,697
Depreciation - assets on hire purchase contracts	41,221	15,134
Loss on disposal of fixed assets	1,129	2,599
Auditors' remuneration	18,000	14,400
Foreign exchange differences	<u>5,192</u>	<u>(3,464)</u>
 Directors' emoluments	 88,514	 210,054
Directors' pension contributions to money purchase schemes	3,160	5,555
Compensation to directors for loss of office	-	109,704
Directors' redundancy payments	<u>-</u>	<u>7,000</u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

4 EXCEPTIONAL ITEM

During the year the company disposed of one of its freehold properties for an amount in excess of its net book value resulting in a profit before tax of £991,748. There is no related tax charge in respect of this disposal as the chargeable gain arising has been rolled over against the costs of qualifying expenditure.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2006	2005
	£	£
Bank interest	12,492	5,286
Bank loan interest	73,218	31,276
Other loan interest	10,882	5,000
Hire purchase interest	<u>6,958</u>	<u>1,718</u>
	<u>103,550</u>	<u>43,280</u>

THE TINTOMETER LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
for the year ended 31 December 2006

6 TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit on ordinary activities for the year was as follows

	2006 £	2005 £
Current tax		
UK Corporation tax	<u>15,946</u>	<u>-</u>
Deferred tax		
Deferred tax recognised directly in profit and loss account		
Relating to		
Net pension scheme costs	(195,880)	2,850
Accelerated capital allowances	1,215	32,585
Trading losses	<u>32,585</u>	<u>(32,585)</u>
Total deferred tax	<u>(162,080)</u>	<u>2,850</u>
Tax on profit on ordinary activities	<u>(146,134)</u>	<u>2,850</u>

Deferred tax recognised directly in statement of recognised gains and losses

Relating to		
Pension scheme actuarial movements	<u>24,900</u>	<u>(173,470)</u>

Factors affecting the tax (credit)/charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2006 £	2005 £
Profit on ordinary activities before tax	<u>1,320,846</u>	<u>55,870</u>
Profit on ordinary activities		
multiplied by the standard rate of corporation tax		
in the UK of 19% (2005 - 19%)	250,961	10,615
Effects of		
Expenses not deductible for tax purposes	(9,015)	(7,174)
Depreciation charged in excess of capital allowances	(184,584)	(36,241)
Losses carried forward	-	32,800
Losses utilised in year	<u>(41,416)</u>	<u>-</u>
Current tax charge	<u>15,946</u>	<u>-</u>

THE TINTOMETER LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
for the year ended 31 December 2006

7 INTANGIBLE FIXED ASSETS

	Trade marks and patents £
COST	
At 1 January 2006 and 31 December 2006	<u>28,219</u>
AMORTISATION	
At 1 January 2006 and 31 December 2006	<u>28,219</u>
NET BOOK VALUE	
At 31 December 2006	<u>-</u>
At 31 December 2005	<u>-</u>

8 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Improvements to leasehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 January 2006	2,309,266	-	986,843	134,521	3,430,630
Additions	1,500	22,992	57,540	18,365	100,397
Disposals	<u>(534,565)</u>	<u>-</u>	<u>(403,404)</u>	<u>(45,870)</u>	<u>(983,839)</u>
At 31 December 2006	<u>1,776,201</u>	<u>22,992</u>	<u>640,979</u>	<u>107,016</u>	<u>2,547,188</u>
DEPRECIATION					
At 1 January 2006	206,914	-	700,503	39,892	947,309
Charge for year	40,827	-	94,548	28,519	163,894
Eliminated on disposal	<u>(166,190)</u>	<u>-</u>	<u>(399,204)</u>	<u>(31,283)</u>	<u>(596,677)</u>
At 31 December 2006	<u>81,551</u>	<u>-</u>	<u>395,847</u>	<u>37,128</u>	<u>514,526</u>
NET BOOK VALUE					
At 31 December 2006	<u>1,694,650</u>	<u>22,992</u>	<u>245,132</u>	<u>69,888</u>	<u>2,032,662</u>
At 31 December 2005	<u>2,102,352</u>	<u>-</u>	<u>286,340</u>	<u>94,629</u>	<u>2,483,321</u>

Included in cost or valuation of freehold land and buildings is freehold land of £214,717 (2005 - £214,717) which is not depreciated

THE TINTOMETER LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
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8 TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31 December 2006 is represented by

	Freehold land and buildings £	Improvements to leasehold property £	Plant and machinery £	Motor vehicles £	Totals £
Valuation in 1991	119,641	-	-	-	119,641
Cost	<u>1,656,560</u>	<u>22,992</u>	<u>640,979</u>	<u>107,016</u>	<u>2,427,547</u>
	<u>1,776,201</u>	<u>22,992</u>	<u>640,979</u>	<u>107,016</u>	<u>2,547,188</u>

If freehold land and buildings had not been revalued they would have been included at the following historical cost

	2006 £	2005 £
Cost	<u>1,656,560</u>	<u>1,741,117</u>
Aggregate depreciation	<u>46,768</u>	<u>96,145</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 January 2006	68,134	94,375	162,509
Additions	-	18,365	18,365
Disposals	<u>-</u>	<u>(20,875)</u>	<u>(20,875)</u>
At 31 December 2006	<u>68,134</u>	<u>91,865</u>	<u>159,999</u>
DEPRECIATION			
At 1 January 2006	1,419	19,977	21,396
Charge for year	17,033	24,188	41,221
Eliminated on disposal	<u>-</u>	<u>(13,046)</u>	<u>(13,046)</u>
At 31 December 2006	<u>18,452</u>	<u>31,119</u>	<u>49,571</u>
NET BOOK VALUE			
At 31 December 2006	<u>49,682</u>	<u>60,746</u>	<u>110,428</u>
At 31 December 2005	<u>66,715</u>	<u>74,398</u>	<u>141,113</u>

THE TINTOMETER LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
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9 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2006	
and 31 December 2006	<u>4</u>
NET BOOK VALUE	
At 31 December 2006	<u>4</u>
At 31 December 2005	<u>4</u>

The company's investments at the balance sheet date in the share capital of companies include the following

Lovibond Tintometer Limited

Nature of business Dormant

	%		
Class of shares	holding		
Ordinary	100 00		
		2006	2005
		£	£
Aggregate capital and reserves		<u>2</u>	<u>2</u>

Lovibond Limited

Nature of business Dormant

	%		
Class of shares	holding		
Ordinary	100 00		
		2006	2005
		£	£
Aggregate capital and reserves		<u>2</u>	<u>2</u>

In the opinion of the directors, there has been no diminution in the value of these investments below cost

10 STOCKS

	2006	2005
	£	£
Raw materials and consumables	162,203	197,930
Work in progress	21,458	25,995
Finished goods and goods for resale	429,238	392,182
Other stocks	<u>3,793</u>	<u>2,680</u>
	<u>616,692</u>	<u>618,787</u>

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11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£	£
Trade debtors	671,571	527,148
Due from group undertakings	31,293	91,907
Other debtors	4,199	3,990
Value added tax	5,058	76,035
Prepayments	<u>64,147</u>	<u>63,701</u>
	<u><u>776,268</u></u>	<u><u>762,781</u></u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£	£
Bank loans and overdrafts (see note 14)	238,830	1,387,536
Hire purchase contracts (see note 15)	47,854	58,626
Trade creditors	299,562	448,334
Due to group undertakings	140,876	609,303
Corporation tax	15,288	-
Taxation and social security	40,834	118,793
Other creditors	-	6,053
Accrued expenses	<u>36,969</u>	<u>25,243</u>
	<u><u>820,213</u></u>	<u><u>2,653,888</u></u>

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006	2005
	£	£
Hire purchase contracts (see note 15)	<u>19,879</u>	<u>59,994</u>

14 LOANS

An analysis of the maturity of loans is given below

	2006	2005
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	238,830	87,536
Bank loans	<u>-</u>	<u>1,300,000</u>
	<u><u>238,830</u></u>	<u><u>1,387,536</u></u>

THE TINTOMETER LIMITED
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15 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2006	2005
	£	£
Gross obligations repayable		
Within one year	53,715	65,455
Between one and five years	<u>23,148</u>	<u>68,464</u>
	<u>76,863</u>	<u>133,919</u>
Finance charges repayable		
Within one year	5,861	6,829
Between one and five years	<u>3,269</u>	<u>8,470</u>
	<u>9,130</u>	<u>15,299</u>
Net obligations repayable		
Within one year	47,854	58,626
Between one and five years	<u>19,879</u>	<u>59,994</u>
	<u>67,733</u>	<u>118,620</u>

The following operating lease payments are committed to be paid within one year

	Land and buildings		Other operating leases	
	2006	2005	2006	2005
	£	£	£	£
Expiring				
Between one and five years	-	-	11,632	9,064
In more than five years	<u>13,724</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>13,724</u>	<u>-</u>	<u>11,632</u>	<u>9,064</u>

16 SECURED DEBTS

The following secured debts are included within creditors

	2006	2005
	£	£
Bank overdrafts	238,830	87,536
Bank loans	-	1,300,000
Hire purchase contracts	<u>67,733</u>	<u>118,620</u>
	<u>306,563</u>	<u>1,506,156</u>

The bank borrowings are secured by a standard debenture consisting of fixed charges over the company's freehold property, fixed plant and machinery, book debts and goodwill, and a floating charge over all other assets of the company

THE TINTOMETER LIMITED
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17 PROVISIONS FOR LIABILITIES

	2006 £	2005 £
Deferred tax		
Accelerated capital allowances	33,800	32,585
Unrelieved trading losses (2005 - restricted)	<u>-</u>	<u>(32,585)</u>
	<u>33,800</u>	<u>-</u>
		Deferred tax £
Balance at 1 January 2006		-
Charge for the year		<u>33,800</u>
Balance at 31 December 2006		<u>33,800</u>

18 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	2006 £	2005 £
27,000	Ordinary	50p	<u>13,500</u>	<u>13,500</u>
Allotted, issued and fully paid Number	Class	Nominal value	2006 £	2005 £
12,500 (2005 - 11,000)	Ordinary	50p	<u>6,250</u>	<u>5,500</u>

1,500 Ordinary shares of 50p each were allotted as fully paid at a premium of £129 50 per share during the year

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19 RESERVES

	Profit and loss account £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 January 2006	(983,178)	103,600	457,380	5,750	(416,448)
Profit for the year	1,466,980				1,466,980
Cash share issue	-	194,250	-	-	194,250
Transfer from revaluation reserve	11,991	-	(11,991)	-	-
Transfer from revaluation reserve re disposal of freehold property	360,533	-	(360,533)	-	-
Actuarial gain (net of tax)	<u>58,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,100</u>
At 31 December 2006	<u>914,426</u>	<u>297,850</u>	<u>84,856</u>	<u>5,750</u>	<u>1,302,882</u>
Profit and loss account excluding pension liability	2,181,426				
Pension deficit	<u>(1,267,000)</u>				
Profit and loss account	<u>914,426</u>				

20 PENSION COMMITMENTS

The company operates two pension schemes for its employees, one funded defined benefit pension scheme, which is closed to new employees, and one defined contribution pension scheme, which new employees may join

Defined benefit scheme

The company operates a defined benefit scheme in the UK. A full actuarial valuation was carried out at 1 August 2004 and updated to 31 December 2004, 31 December 2005 and 31 December 2006 by a qualified independent actuary. The major assumptions used by the actuary were

	31 12 06	31 12 05	31 12 04
Rate of increase in salaries	3.25%	3%	4%
Rate of increase in pensions in payment	2.9%	2.75%	2.5%
Discount rate for scheme liabilities	5.25%	5%	6%
Inflation assumption	2.9%	2.75%	2.5%

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice

THE TINTOMETER LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
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20 PENSION COMMITMENTS - continued

The assets in the scheme and the expected rate of return were

	Long-term rate of return expected at 31 12 06	Value at 31 12 06 £	Long-term rate of return expected at 31 12 05	Value at 31 12 05 £	Long-term rate of return expected at 31 12 04	Value at 31 12 04 £
Equities	7.5%	2,590,000	7.5%	2,406,000	7.5%	2,038,000
Fixed interest	5%	2,454,000	5%	2,425,000	5%	2,163,000
Cash	3.5%	<u>281,000</u>	3.5%	<u>250,000</u>	3.5%	<u>188,000</u>
Total market value of assets		5,325,000		5,081,000		4,389,000
Present value of scheme liabilities		<u>(7,135,000)</u>		<u>(7,039,000)</u>		<u>(5,449,000)</u>
Deficit in scheme		(1,810,000)		(1,958,000)		(1,060,000)
Related deferred tax asset		<u>543,000</u>		<u>372,020</u>		<u>201,400</u>
Net pension liability		<u>(1,267,000)</u>		<u>(1,585,980)</u>		<u>(858,600)</u>

Analysis of the amount charged to operating profit

	2006 £	2005 £
Current service cost	<u>61,000</u>	<u>61,000</u>
Total operating charge	<u>61,000</u>	<u>61,000</u>

Analysis of the amount credited/(charged) to other finance income/(costs)

	2006 £	2005 £
Expected return on pension scheme assets	308,000	266,000
Interest on pension scheme liabilities	<u>(354,000)</u>	<u>(339,000)</u>
Net cost	<u>(46,000)</u>	<u>(73,000)</u>

Analysis of the amount recognised in statement of total recognised gains and losses (STRGL)

	2006 £	2005 £
Actual return less expected return on pension scheme assets	19,000	488,000
Experience gains and losses arising on the scheme liabilities	(48,000)	(26,000)
Changes in assumptions underlying the present value of the scheme liabilities	<u>112,000</u>	<u>(1,375,000)</u>
Actuarial gain/(loss) recognised in STRGL before adjustments for taxation	<u>83,000</u>	<u>(913,000)</u>

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20 PENSION COMMITMENTS - continued

Movement in deficit during the year

	2006 £	2005 £
Deficit in scheme at start of year	(1,958,000)	(1,060,000)
Current service cost	(61,000)	(61,000)
Contributions	172,000	149,000
Other finance income/(costs)	(46,000)	(73,000)
Pension scheme actuarial gain/(loss)	<u>83,000</u>	<u>(913,000)</u>
Deficit in scheme at end of year	<u>(1,810,000)</u>	<u>(1,958,000)</u>

History of experience gains and losses

	Year ended 31 12 06	Year ended 31 12 05	Period 1 12 03 to 31 12 04	Year ended 30 11 03	Year ended 30 11 02
Difference between the expected and actual return on scheme assets amount (£)	19,000	488,000	193,000	6,000	(559,000)
percentage of scheme assets	0.4%	9.6%	4.4%	0.1%	(15)%
Experience gains and losses on scheme liabilities amount (£)	(48,000)	(26,000)	(511,000)	244,000	(53,000)
percentage of the present value of the scheme liabilities	0.7%	0.4%	9.4%	(5)%	1%
Changes in assumptions underlying the present value of the scheme liabilities amount (£)	112,000	(1,375,000)	-	-	-
percentage of the present value of the scheme liabilities	(1.6)%	19.5%	-	-	-
Total actuarial gain or loss amount (£)	83,000	(913,000)	(318,000)	250,000	(612,000)
percentage of the present value of the scheme liabilities	(1.2)%	13.0%	5.8%	(5)%	13%

The actuarial valuation at 1 August 2004 showed that the market value of the scheme's assets was £4,045,000 and that the actuarial value of those assets represented 74% of the benefits that had accrued to the members, after allowing for expected future increases in earnings. Following discussions with the company and the trustees of the pension scheme it was recommended by the scheme actuary that the company should amend its contributions from its previous level of 17% per annum of pensionable salaries less members contributions plus fixed instalments of £56,000 per annum until 2012, to 10.5% per annum of pensionable salaries plus fixed instalments of £76,000 per annum until 2010 with effect from August 2005. The members would continue to contribute at 5% and 6% in accordance with the scheme's rules.

During the year the company paid contributions of £148,460 (2005 - £123,628). At the balance sheet date there were no outstanding or prepaid contributions.

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20 PENSION COMMITMENTS - continued

Defined contribution scheme

During the year the company paid contributions of £23,941 (2005 - £21,307) in respect of its defined contribution pension scheme. At the balance sheet date there were no outstanding or prepaid contributions.

Staff costs analysis

The other pension costs in note 2 can be analysed as follows

	2006	2005
	£	£
Current service costs	61,000	61,000
Defined contribution pension scheme payments	<u>23,941</u>	<u>21,307</u>
	<u>84,941</u>	<u>82,307</u>

21 ULTIMATE PARENT COMPANY

The ultimate parent company is Tintometer GmbH, a company registered in Germany.

22 TRANSACTIONS WITH DIRECTORS

C P Voss has a controlling interest in and is a director of Tintometer GmbH. During the period, The Tintometer Limited sold to, and purchased from, Tintometer GmbH goods to the value of £378,108 and £756,048 respectively (2005 - £303,881 and £687,664). At the year end, The Tintometer Limited owed Tintometer GmbH £139,872 and was owed £31,293 (2005 - £207,299 and £91,907).

During the year the loan totalling £400,000 from Tintometer GmbH was repaid by a share issue and cash interest of £10,882 (2005 - £5,000) was payable on the amounts advanced, of which £1,000 (2005 - £2,000) was outstanding at the balance sheet date.

23 RELATED PARTY DISCLOSURES

Controlling interest

During the current and previous years the company was a wholly owned subsidiary of Tintometer GmbH, a company under the control of C P Voss.

Inter-group transactions and balances

No disclosure has been made in respect of transactions and balances with other group companies as the company has taken advantage of exemptions available under Financial Reporting Standard 8.

24 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006	2005
	£	£
Profit for the financial year	1,466,980	53,020
Other recognised gains and losses relating to the year (net)	58,100	(739,530)
Increase in share premium reserve	194,250	-
Increase in share capital	<u>750</u>	<u>-</u>
Net addition/(reduction) to shareholders' funds	1,720,080	(686,510)
Opening shareholders' funds	<u>(410,948)</u>	<u>275,562</u>
Closing shareholders' funds	<u>1,309,132</u>	<u>(410,948)</u>